

United States
COURT OF APPEALS
for the Ninth Circuit

MOIST COLD REFRIGERATION CO., INC., a
Corporation,

Appellant,

vs.

LOU JOHNSON CO., INC., a Corporation; MEIER
& FRANK COMPANY, INC., a Corporation; AD-
MIRAL CORPORATION, a Corporation; and
AMANA REFRIGERATION, INC., a Corpora-
tion,

Appellees.

PETITION FOR REHEARING

RAMSEY AND KOLISCH,
W. E. RAMSEY,
J. PIERRE KOLISCH,
501 Pacific Bldg.,
Portland, Oregon,

Attorneys for Defendants-Appellees.

Of Counsel:

FRANCIS H. URIELL,
120 South LaSalle St.,
Chicago, Ill.;
CHARLES L. BYRON,
38 South Dearborn St.,
Chicago, Ill.;
WILLIAM E. LUCAS,
135 South LaSalle St.,
Chicago, Ill.

FILED

NOV 14 1957

PAUL P. O'BRIEN, CLERK

INDEX

| | Page |
|---|------|
| Points: | |
| I. The Court's Opinion Conflicts With Other Recent Opinions of This Court and the Supreme Court and Leaves in a State of Confusion the Procedure to be Followed by Trial Courts in Jury Patent Infringement Cases | 1 |
| II. The Claims of the Bronaugh & Potter Patent Are Invalid as a Matter of Law | 8 |
| III. The Opinion of This Court Erred as a Matter of Law in Holding That Whether the Disclosure and Claims of the Patent Satisfied 35 U.S.C.A. 112 Was a Question of Fact for the Jury | 10 |
| IV. The Court Incorrectly Held That There Was Some Evidence of Infringement | 14 |
| Conclusion | 15 |

TABLE OF CASES

| | Page |
|---|--------|
| Anraku v. General Electric Co., 9 Cir., 80 F.2d 958, 963 | 11 |
| Berkeley Pump Co. v. Jacuzzi Bros., 1954, 9 Cir., 214 F.2d 783 | 2 |
| General Electric v. Wabash Appliance Corp., 1938, 304 U.S. 364 | 11, 13 |
| Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147, 95 L. Ed. 162... 3, 4, 5 179 F.2d 636, 6 Cir. | 4 |
| Hansen v. Safeway Stores, 1956, 238 F.2d 336 | 2, 3 |
| Himes v. Chadwick, 1952, 199 F.2d 100 | 2 |
| In re Jennings, C.C.P.A., 1943, 133 F.2d 906 | 13 |
| In re Newton, C.C.P.A., 1940, 110 F.2d 110 | 13 |
| Kwikset Locks v Hillgren, 9 Cir., 210 F.2d 483 | 2, 4 |
| Muncie Gear Works v. Outboard Marine & Mfg. Co., 315 U.S. 759 | 9 |
| Packwood v. Briggs & Stratton Corp. et al, 3 Cir., 1952, 195 F.2d 971, 973 | 16 |
| Schumacher v. Button-Lath Mfg. Co., 9 Cir., 292 F. 522, 523 | 10 |
| Stallman v. Casey Bearing Co., 1957, 244 F.2d 905.... | 2 |

STATUTES

| | |
|-------------------------|----|
| R.S. 4886 | 9 |
| R.S. 4888 | 11 |
| R.S. 4889 | 10 |
| 35 U.S.C.A. § 102 | 9 |
| 35 U.S.C.A. § 112 | 11 |
| 35 U.S.C.A. § 113 | 10 |

United States
COURT OF APPEALS
for the Ninth Circuit

MOIST COLD REFRIGERATION CO., INC., a
Corporation,

Appellant,

vs.

LOU JOHNSON CO., INC., a Corporation; MEIER
& FRANK COMPANY, INC., a Corporation; AD-
MIRAL CORPORATION, a Corporation; and
AMANA REFRIGERATION, INC., a Corpora-
tion,

Appellees.

PETITION FOR REHEARING

COME NOW appellees in the above-entitled cause
and present this, their petition for rehearing and in sup-
port thereof respectfully show:

I.

**THE COURT'S OPINION CONFLICTS WITH OTHER RECENT
OPINIONS OF THIS COURT AND THE SUPREME COURT AND
LEAVES IN A STATE OF CONFUSION THE PROCEDURE TO
BE FOLLOWED BY TRIAL COURTS IN JURY
PATENT INFRINGEMENT CASES**

We had understood it to be well settled in this Cir-
cuit that in the case of mechanical patents claiming a

combination of old elements a rigid standard of invention had to be met and that unless a specific finding was made that the old elements performed an additional and different function in combination than they performed out of it, such a patent was invalid. *Berkeley Pump Co. v. Jacuzzi Bros.*, 9 Cir., 214 F.2d 785; *Kwikset Locks v. Hillgren*, 9 Cir., 210 F.2d 483.

The opinion of the Court recognizes this principle, stating that the Court "must first consider whether the plaintiff in combining these known elements produced a patented device which meets standards laid down for combination patents by the Supreme Court cases." (slip opinion, pp. 10, 11.) Having stated the principle, the opinion moves swiftly to the conclusion that there was substantial proof of invention which presumably passed the rigid standards of the Supreme Court. The opinion, however, is silent as to what this proof was. There is not a word of explanation of how the patent overcame the anticipating effect of the prior art Anderson (Def. Ex. 105), Davenport (Def. Ex. 107) and Larkin (Def. Ex. 106) patents, or how the admittedly old elements of the patent combined to produce an "additional or different function."

Recent decisions by this Court involving jury patent cases are as follows: *Himes v. Chadwick*, 1952, 199 F.2d 100; *Berkeley Pump Co. v. Jacuzzi Bros.*, 1954, 214 F.2d 785; *Hansen v. Safeway Stores*, 1956, 238 F.2d 336; *Stallman v. Casey Bearing Co.*, 1957, 244 F.2d 905. In all these cases, with the exception of the *Hansen* case, the Court affirmed the action of the trial court in hold-

ing the patents in suit invalid on a motion for judgment n.o.v. or directed verdict. In the *Hansen* case, the Court, while reversing a directed verdict for defendant, held that there was a greatly strengthened presumption of validity of the patent because the Court of Customs and Patent Appeals had expressly held the claims of the patent valid over the prior art. The *Hansen* decision in no way affects the correctness of the decision by the trial judge here on the evidence before him.

In the other previously mentioned opinions this Court invariably discussed the prior art and compared it with the patent in order to determine whether patentable invention existed. In the present opinion the Court found only that reasonable minds might differ as to whether there was "a new, useful and unexpected result;" whether the whole did or did not, in some way, exceed the sum of its parts. The resolution of this question depends upon whether a document (patent in suit) is legally sufficient when measured against the standards for combination patents laid down in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147, 95 L. Ed. 162.

It is submitted that this Court is under a duty, as was the trial judge, to compare specifically the alleged invention with the prior art, and because a combination of old elements was claimed, the Court should find, as a conclusion of law, whether or not it sustains the trial court's opinion as to invalidity. The standards of invention are *legal criteria* laid down by the Supreme Court against which every adjudicated patent must be measured.

The holding of *Great A. & P. Tea Co. v. Supermarket Equipment Corp.*, supra, and followed in *Kwikset Locks v. Hillgren*, supra at p. 486, is that *there must be a specific finding as to just how the old elements combined to produce an additional and different function*. In order to appreciate the full thrust of the Supreme Court's decision in the *A. & P.* case, reference should be made to the opinion of the Sixth Circuit, 179 F.2d 636, 638, in which the court of appeals affirmed the fact finding of the district court which was based on evidence far more substantial than present in our case.

In reversing the trial judge's decision in view of the jury verdict, it is submitted that this Court committed the same basic legal error as did the court of appeals in the *A. & P.* case. As stated in the opinion of the Supreme Court at page 149:

"The Court of Appeals regarded this finding of invention as one of fact, sustained by substantial evidence, and affirmed it as not clearly erroneous. It identified no other new or different element to constitute invention and overcame its doubts by consideration of the need for some such device and evidence of commercial success of this one.

"Since the courts below perceived invention only in an extension of the counter, we must first determine whether they were right in so doing. We think not. In the first place, the extension is not mentioned in the claims, except, perhaps, by a construction too strained to be consistent with the clarity required of claims which define the boundaries of a patent monopoly. (Citing cases.) In the second place, were we to treat the extension as adequately disclosed, it would not amount to an invention."

The above quotation is controlling in our case because this Court regarded the jury verdict of invention

as the resolution of a fact question which was supported by substantial evidence and accordingly reversed the trial judge's contrary decision. However, the opinion in this case, like that of the court of appeals in the *A. & P.* case, failed to identify any new or different element to constitute invention and overcame its doubts by stating (pp. 12, 13) that the proponent of a patent is aided in establishing the invention ("*once the invention has taken place*") by testimony concerning a need for the device, lack of prior discovery, and commercial success. We are not told what factors established the invention in the first place.

In its opinion, this Court agreed with the trial judge that it was essential to the invention that a "fin coil or other extended surface coil" be disclosed in the patent specification (slip opinion, p. 14). The second above-quoted paragraph of the *A. & P.* case is here controlling because fin coil or other extended surface coil "is not mentioned in the claims, except, perhaps by construction too strained to be consistent with the clarity required of claims which define the boundaries of a patent monopoly." Also, if the Court were to treat the use of a fin or other extended surface coil "as adequately disclosed, it would not amount to an invention." Just as in the *A. & P.* case, if the essential element of the Bronaugh & Potter patent is a fin coil or other extended surface it is exactly the same as the Larkin fin coil, or Davenport's cold wall 9 (Def. Ex. 107, Figs. 1 and 2), or a mere elongation or change of dimension of Anderson's cooling coil.

We submit that if the Court had fully appreciated

the admissions of appellant's expert witness, the Court would have agreed with the trial court's decision of invalidity. We say this because in the footnote to page 10 of the opinion, the Court adopted the trial judge's listing of the nine old elements which make up the Bronaugh & Potter patent. These elements, operating in the same manner as claimed by Bronaugh & Potter to produce the same result, are found in the prior art patents to Anderson (Def. Ex. 105) and Davenport, 1,726,344 (Def. Ex. 107), as follows:

| BRONAUGH & POTTER | ANDERSON | DAVENPORT |
|---|--------------------------------|--|
| (1) a cabinet, | element 9 | element A |
| (2) a cooling compartment | " 6 | " E |
| (3) a freezing compartment, | " 7 | " D |
| (4) thermal insulation, | " 14 | " a |
| (5) a freezing refrigerant expander, | " 34 | " d |
| (6) a cooling refrigerant expander, | " 40 | " 9 |
| (7) a volatile refrigerant, | (p. 1, col. 2, lines 77-81) | (p. 2, lines 28-30) |
| (8) a single liquefying unit, | element 20 | (p. 2, line 34) |
| (9) a thermostat | (p. 1, col. 2, lines 91-93) | (Not mentioned but in Davenport 1,731,711 thermo- stat mentioned, p. 1, lines 82-90) |

Appellant's own expert established that Anderson's cooling coil is "non frosting" in the same sense as Potter. Both frost to a degree depending upon the adjustment of the adjustable expansion valve (see Appellees' Brief, p. 25-29). Davenport is the "cold wall" construction with the cooling coil thermally connected to the com-

partment lining. This is the construction used by defendants.

Appellant's expert so testified (R. 911-912):

"Q. (By Mr. Byron): There are two more Davenport patents shown on this Defendants' Exhibit 114-L. One is a Davenport Patent 1,769,118, and the other is 1,726,344, and in the 1,726,344 there are a series of loops or a coil behind the cold plate of the refrigerator and behind the cover plate of the cooling compartment which constitutes a cold-plate structure; does it not?

A. Yes.

Q. And the cooling coils in that patent, 1,726,344, behind the shell or liner of the cooling compartment are arranged substantially the same as the coils around the cooling compartment in the accused structure; right?

A. It has a different form but similar relationship.

Q. Well, they are cooling coils?

A. That is correct, cooling coils outside of the liner. (932)

Q. Yes, and they are both cold-wall structures?

A. That is right."

Clearly the Potter patent claims, if read on the defendants' refrigerators, are invalid in view of Davenport (see Appellees' Brief, p. 33-38).

Also, in view of the prior Larkin patent (Def. Ex. 106), the only reasonable conclusion that can be reached is that the old elements perform no different function in the Potter accumulation than out of it.

In considering the record here, this Court must have not fully appreciated the force of Anderson, Davenport, and Larkin, and also the admissions of appellant's expert witness.

The above comparison can not be denied and no amount of testimony by plaintiff concerning needs of the housewife, lack of prior discovery, commercial success, etc., can ever make out invention from Bronaugh & Potter's anticipated aggregation of old elements.

The confusion which may well result from the Court's opinion is that while the Court desires to follow and be bound by the Supreme Court's and its own decisions in patent cases, the effect of the decision is directly contrary. The guideposts in patent litigation known as the standards of invention might now be construed as having been removed, and a jury be free to treat as patentable invention whatever concept may impress it without fear of reversal.

The Court's statement that there must be "some evidence before the jury of a substantial nature" does not save the situation because every plaintiff's case has at least as good evidence as appellant's, i.e., expert and other testimony that there was in fact an invention, that the specification and claims were sufficient, and the presumption of validity from issuance of the patent.

II.

THE CLAIMS OF THE BRONAUGH & POTTER PATENT ARE INVALID AS A MATTER OF LAW

In the first full paragraph on page 14 of the slip opinion, this Court apparently agreed with the trial court that the essential element in the Bronaugh & Potter patent was the "fin coil or other extended surface coil." After discussing appellant's arguments attacking the finding of

the trial court on this subject, the Court concluded that appellant tacitly conceded that this essential element was *not shown in the drawings* but appellant still might have a valid patent because there was testimony by its expert that the *specifications* of the patent supported the disclosure of the essential element.

Accepting, for the purpose of rehearing, that the Court is correct in saying that the drawings did not disclose the essential element of the Bronaugh & Potter invention and that the specifications did, the patent is still invalid as a matter of law. That portion of the specifications beginning column 3, lines 44-51, which describes the essential element, was added to the patent application by an amendment filed January 27, 1934 (file wrapper of original patent, Defendants' Exhibit 101, p. 48).*

According to appellant, a refrigerator embodying the invention (Barry box) was first sold about October, 1931 (Appellant's Reply Brief, p. 14). Even if the patentees were allowed to add the essential element of the invention to the specifications by amendment, the claims are invalid since they were not filed within the two-year statutory period relating to public use or sale then in force (old R.S. 4886, now 35 U.S.C.A. §102). This is so even under appellant's interpretation of *Muncie Gear Works v. Outboard Marine & Mfg. Co.*, 315 U. S. 759

*It should be noted that on page 56 of this file wrapper, the patentees represented to the Patent Office that the amendment to the specifications was for the purpose of pointing out the variation of heat insulation between the different compartments and nothing was said about the ratio of the cooling elements, fin coil or extended surface coil.

(Appellant's Reply Brief, p. 13), because there was no disclosure of the essential "fin coil or other extended surface coil" until the amendment to the specifications filed January 27, 1934, which was more than two years after October, 1931.

The patent is also invalid because the "particular kind of heat withdrawing surfaces, or their particular dimensions, were not shown in the drawings." The statute in force at the time that the application for the Bronaugh & Potter patent was filed (R.S. 4889, now 35 U.S.C.A. §113) stated in pertinent part:

"When the nature of the case admits of drawings, the applicant shall furnish one copy signed by the inventor or his attorney in fact. . . ."

Based on the foregoing, old Rule 50 (present Rule 83) of the Rules of Practice in the United States Patent Office provided in pertinent part:

"The drawing must show every feature of the invention covered by the claims . . ."

Under the decision of this Court, the mandatory requirement for a drawing has not been complied with and the patent is invalid.

III.

THE OPINION OF THIS COURT ERRED AS A MATTER OF LAW IN HOLDING THAT WHETHER THE DISCLOSURE AND CLAIMS OF THE PATENT SATISFIED 35 U.S.C.A. 112 WAS A QUESTION OF FACT FOR THE JURY

On page 14 of the slip opinion, it stated:

"Whether or not a disclosure is sufficient is a question of fact. *Schumacher v. Button-Lath Mfg. Co.*,

9 Cir., 292 F. 522, 533, (1920); *Anraku v. General Electric Co.*, 9 Cir., 80 F.2d 958, 963.”

On pages 15 and 16 of the slip opinion, the following appears:

“Again, whether the claims of the patent in suit were sufficiently definite to satisfy the statutory requirement as to particularity is a question of fact, . . .”

The opinion of this Court overlooked the later decision in *General Electric v. Wabash Appliance Corp.* (1938), 304 U.S. 364, where the Supreme Court expressly overruled the *Anraku* case and held the claims of the Pacz patent previously upheld in the Ninth Circuit to be invalid as a matter of law for failure to satisfy the statutory requirements. The Court stated, page 368:

“We need not inquire whether Pacz exhibited invention, or whether his product was anticipated. The claim is invalid on its face. It fails to make a disclosure sufficiently definite to satisfy the requirements of Rev. Stat. §4888, 35 U.S.C.A. §33.” [Now 35 U.S.C.A. § 112.]

The legal nature of this inquiry by a court into the sufficiency of a disclosure and claims is emphasized by the following language of the Supreme Court at page 369:

“Patents, whether basic or for improvements, must comply accurately and precisely with the statutory requirements as to claims of invention or discovery. The limits of a patent must be known for the protection of the patentee, the encouragement of the inventive genius of others and the assurance that the subject of the patent will be dedicated ultimately to the public. The statute seeks to guard

against unreasonable advantages to the patentee and disadvantages to others arising from uncertainty as to their rights. The inventor must 'inform the public during the life of the patent of the limits of the monopoly asserted, so that it may be known which features may be safely used or manufactured without a license and which may not.' "

If we compare Claim 25 of the Pacz patent with Claim 2 of the patent to Bronaugh & Potter, it will readily be seen wherein the Bronaugh & Potter claim is invalid for precisely the same reason as the Pacz claim. In each claim, the indefinite portions have been italicized:

Pacz Claim 25:

"A filament for electric incandescent lamps or other devices, composed substantially of tungsten and made up mainly of a number of comparatively large grains *of such size and contour as to prevent substantial sagging and offsetting during a normal or commercially useful life for such a lamp or other device.*"

Bronaugh & Potter Claim 2:

"A household refrigerator which in normal operation provides above-freezing moist cold air for preserving in a refrigerated condition foods susceptible to moisture loss by evaporation and below-freezing dry cold air and a dry cold surface for preserving foods in a frozen condition, said refrigerator comprising a cabinet having a cooling compartment and a freezing compartment, thermal insulation around said compartments thermally insulating said compartments from each other and from the outside atmosphere, a cooling refrigerant expander having heat-conducting surfaces within said cooling compartment and *constructed and arranged to maintain its heat-conducting surfaces at a tempera-*

ture above 32° F. while withdrawing heat from said compartment, whereby air in said cooling compartment is cooled thereby to a temperature above 32° F. and is maintained at a humidity whose relative value is at least 100% at 32°F., a freezing refrigerant expander having heat-conducting surfaces within said freezing compartment and constructed and arranged to maintain its heat-conducting surfaces at a temperature well below 32°F. while withdrawing heat from said compartment whereby air in said freezing compartment is cooled thereby to a temperature well below 32°F., volatile refrigerant in said expanders, a single liquefying unit associated with said expanders and constructed and arranged to condense refrigerant expanded by heat extracted from both said compartments, the volatile refrigerant circulating through said expanders being the sole heat-extracting medium, and a thermostat responsive to the temperature in one of said compartments controlling the operation of said liquefying unit."

See also *In re Newton*, C.C.P.A., 1940, 110 F.2d 110, and *In re Jennings*, C.C.P.A., 1943, 133 F.2d 906, where the court followed the *General Electric* case and refused to allow claims having to do with subject matter similar to that of *Bronaugh & Potter* which was claimed in the same functional way as in the *Bronaugh & Potter* patent.

The trial judge in our case correctly decided that as a matter of law there had been a failure to disclose the essential "fin coil or other extended surface coil" in the specifications and there was no jury question involved.

Likewise, the question of whether the claims of the *Bronaugh & Potter* patent satisfied the statutory requirement of definiteness was purely a legal one which

had been correctly decided by the trial judge. Expert or other testimony on the sufficiency of the disclosure and definiteness of the claims could not transform this legal question into a factual one.

IV.

THE COURT INCORRECTLY HELD THAT THERE WAS SOME EVIDENCE OF INFRINGEMENT

Assuming, as this Court did, that the jury could reasonably find infringement because a cold wall refrigerator (accused device) was the equivalent of an extended surface-coil fin, then Davenport 1,726,344 completely anticipates this essential element and all the claims of the patent in suit are invalid.

On page 17 of the slip opinion, the Court held that the trial judge was incorrect in holding as a matter of law that the accused device had two liquefying units and the patent one because there was "some substantial evidence in the record" to support the jury verdict of infringement. The opinion does not tell us what this evidence was—clearly it was not the testimony of Mr. Morton mentioned in the opinion, which testimony was that the accused device contained two liquefying units. Mr. Parker, appellant's expert, agreed with Mr. Morton that the accused device had two liquefying units (R. 928). The foregoing was also confirmed by the testimony of appellees' expert, Mr. Muffly (R. 1314, 1315).

Even if the experts had not agreed that the accused device had two liquefying units, the jury finding to the contrary could not have stood because an inspection of

the accused device, as shown in Defendants' Exhibit 114-A, Plaintiff's Exhibit 8A (Plates IV, V, Appendix to Appellees' Brief) and (Admiral Manual, p. 3, Pltf's. Ex. 4-CC2) clearly show one liquefying unit labeled E in the primary circuit and another liquefying unit G in the secondary circuit.

This Court erred in holding that there was substantial evidence as to infringement because each of the claims in the patent called for "a single liquefying unit" and "the volatile refrigerant circulating through said expanders being the sole heat-extracting medium." The accused device has two liquefying units operating in two separate refrigerating circuits with two separate volatile refrigerants.

CONCLUSION

In order to resolve the confusion and uncertainty which exists as a result of this Court's conflicting decisions relating to the manner in which the question of validity and infringement should be treated in patent cases, a rehearing should be granted.

If the present decision of the Court is allowed to stand, it is doubtful that a trial judge in this Circuit in a jury patent case will ever exercise his "right and duty" with respect to the relevant legal criteria and defendants may be at the mercy of the whims and impressions of a jury as to what constitutes invention and infringement. Legal principles developed over the years by the courts concerning invention and infringement may be cast

aside. As trenchantly put by Judge Hastie in the oft-cited case of *Packwood v. Briggs & Stratton Corp. et al*, 3 Cir., 1952, 195 F.2d 971, 973:

"A jury in a patent case is not free to treat invention as a concept broad enough to include whatever discovery or novelty may impress the jurors favorably. Over the years the courts of the United States, and particularly the Supreme Court, have found meaning implicit in the scheme and purpose of the patent laws which aids in the construction of their general language. In this process, rules and standards have been developed for use as guides to the systematic and orderly definition and application of such a conception as invention in accordance with what the courts understand to be the true meaning of the Constitution and the patent laws. Once such standards and rules are authoritatively announced any finding of 'invention' whether by a court or a jury must be consistent with them."

It is submitted that this petition for rehearing should be granted, and the judgment of the District Court affirmed.

Respectfully submitted,

RAMSEY & KOLISCH,
W. E. RAMSEY,
J. PIERRE KOLISCH,
Attorneys for Appellees-
Petitioners.

Of Counsel:

FRANCIS H. URIELL,
CHARLES L. BYRON,
WILLIAM E. LUCAS.

CERTIFICATE OF COUNSEL

IT IS HEREBY CERTIFIED that in the judgment of the undersigned, the foregoing petition is well-founded, and is not interposed for delay.

Dated at Portland, Oregon, November 7, 1957.

W. E. RAMSEY,

Of Attorneys for Appellees
and Petitioners.

